GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1277
ANSWERED ON:07.03.2008
FAKE NOTES BY ATM
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Will the Minister of FINANCE be pleased to state:

(a) whether the work of replenishing the currencies in ATMs by Public Sector Banks/ Nationalised Banks has been outsourced to the private agencies;

(b) if so, whether there is any mechanism to monitor such agencies to prevent the possible fake currencies getting mixed up with genuine notes;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (d) : Banks are not required to seek permission from Reserve Bank of India for outsourcing any of their activities. However, Reserve Bank of India has issued guidelines on managing risks and code of conduct in outsourcing financial services by banks. Instructions have been issued to banks to ensure that only sorted and examined bank notes are put into circulation through their counters and ATMs. Banks have also been advised to strengthen the checks and safeguards both during the processing as well as transport of bank notes to ATMs. Steps taken by Government/RBI to check the circulation of counterfeit notes, inter-alia, include: -

(i) Addition of new/additional security features to bank notes.

(ii) Greater coordination by the Reserve Bank with the investigating agencies like the Intelligence Bureau and the Central Bureau of Investigation as well as State Police Authorities for concerted action against the counterfeiters.

(iii) Training Programmes for detecting counterfeit currency are regularly undertaken by Reserve Bank of India.